

Bayer HealthCare Marks Opening of U.S. Innovation Center Announces Master Agreement with University of California, San Francisco (UCSF)

Donates more than \$2 million in research equipment to advance science education in California schools and colleges

San Francisco, CA; January 10, 2011 – Bayer HealthCare announced today that its pharmaceutical division has established a master agreement for research collaborations with the University of California, San Francisco (UCSF). The company celebrated this new agreement at the official opening of Bayer's U.S. Innovation Center in San Francisco's Mission Bay life sciences hub.

"Bayer chose San Francisco as the site for its U.S. Innovation Center because of the leading role this area's research community plays in life science discovery," said Andreas Fibig, chairman of the board of management for Bayer's pharmaceutical division. "The master agreement with UCSF sets the stage for a long and successful public-private partnership which builds our pipeline and brings novel medicines to patients."

"Bayer's decision to establish its U.S. Innovation Center at Mission Bay is good for San Francisco and the State of California," said former San Francisco Mayor and California Lieutenant Governor Gavin Newsom. "Attracting and retaining one of the top 10 specialty pharmaceutical and biotech firms is important to California's life sciences sector. I'm confident that we'll see exciting California discoveries reach the patient marketplace through collaborations with Bayer. As California works on its recovery, life science partnerships that begin at the research bench will lead to long-term economic stability for our region."

Bayer is expanding its collaborative relationships with academic and life sciences firms in California and in other major scientific networks in the U.S. through a dedicated team of scientists at the U.S. Innovation Center. The team, dubbed the "Science Hub" is charged with identifying and facilitating collaborations for the company.

"Master agreements like this help smooth the path for innovative research projects that translate academic research into improved patient care," said UCSF Chancellor Susan Desmond-Hellmann, MD, MPH. "This agreement will help researchers at Bayer and UCSF collaborate on a broad range of projects to that end."

"California has an innovation economy – creating jobs and delivering novel advances across sectors that improve how we work and how we live," said Joel Ayala, Director of the Governor's Office of Economic Development. "Having Bayer establish its U.S. Innovation Center in California provides great opportunities for our university scientists and entrepreneurial biotech firms to partner with a biopharmaceutical company that successfully commercializes medical advances. There's a bright future ahead for Bayer and for our economy and the health of Californians."

The U.S. Innovation Center also houses scientists who drive Bayer's hematology research program focused on coagulation factors and the discovery of novel biologic drug candidates. This 65-member research team recently relocated from Richmond, California.

"Our move to the Innovation Center also provided us with the opportunity to give back to the community at a time when funding for education is a struggle in California," commented Terry Hermiston, Vice President of U.S. Biologics Research and Site Head for the U.S. Innovation Center. "We donated more than \$2 million in laboratory equipment and supplies to high school and college science programs."

California State University, Sacramento received the most significant donation of more than \$1 million in equipment to enable the university to establish a tissue culture facility for their student laboratories in the Department of Biological Sciences. The University says the donation complements recent enhancements to its science programs.

"This equipment will create exciting new teaching and research opportunities for Sacramento State students. Our students will be able to conduct advanced research and learn valuable skills that are vital for success in today's cutting-edge workplace," said Jill Trainer, Dean of Sacramento State's College of Natural Sciences and Mathematics.

Bayer has a strong commitment to science education through its well known "Making Science Make Sense" program which provides funding and volunteer support at the K-12 grade levels and its novel "Biotech Partners" program in California's East Bay which helps youth from populations underrepresented in the sciences explore biotechnology through a focused curriculum and internships.

Bayer's U.S. Innovation Center is located at 455 Mission Bay Boulevard South, in the heart of a growing biomedical community adjacent to UCSF's Mission Bay campus. Bayer occupies approximately 49,000 square feet of leased state-of-the-art lab and administrative space designed in collaboration with FLAD. The building is owned Alexandria Real Estate Equities (NYSE: ARE); the lab building was completed by BNB Builders.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer HealthCare, a subsidiary of Bayer AG, is one of the world's leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Bayer Schering Pharma, Consumer Care and Medical Care divisions. Bayer HealthCare's aim is to discover, manufacture and market products that will improve human and animal health worldwide. Find more information at www.bayerhealthcare.com.

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Media Contact(s)

Name: Cathy Keck Anderson
Phone: (206) 254-7714
Company: Bayer HealthCare
Email: cathy.keck.anderson@bayer.com

Name: Bryan Iams
Phone: (412) 777-5200
Company: Bayer Corporation
Email: bryan.iams@bayer.com